

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of AT&T Communications of)
 Ohio, Inc.'s Petition for Arbitration of Inter-)
 Connection Rates, Terms, and Conditions) Case No. 96-752-TP-ARB
 and Related Arrangements with The Ohio)
 Bell Telephone Company dba Ameritech)
 Ohio.)

ARBITRATION AWARD

The Commission, considering the application, the evidence of record, and the arbitration panel report, and being otherwise fully advised, hereby issues its Arbitration Award.

APPEARANCES:

Vorys, Sater, Seymour and Pease, by William S. Newcomb, Jr. and Benita A. Kahn, 52 E. Gay Street, P.O. Box 1008, Columbus, Ohio 43215-1008, Robert W. Quinn, Jr., AT&T Communications of Ohio, Inc., 227 West Monroe Street, Chicago, Illinois 60606, on behalf of AT&T Communications of Ohio, Inc.

Porter, Wright, Morris & Arthur, by Daniel R. Conway, Mark S. Stemm, Stephanie L. Mott, and Samuel H. Porter, 41 South High Street, Columbus, Ohio 43215, Michael T. Mulcahy, Ameritech Ohio, 41 Erieview Plaza, Room 1400, Cleveland, Ohio 44114, and Jon F. Kelly, Ameritech Ohio, 130 East Gay Street, Room 4C, Columbus, Ohio 43215, on behalf of Ameritech Ohio.

ARBITRATION AWARD:

On February 27, 1996, AT&T Communications of Ohio, Inc. (AT&T) served upon Ameritech Ohio (Ameritech) a written request for and began negotiations of the rates, terms, and conditions for interconnection, resale services, network elements, and related services and arrangements pursuant to Sections 251 and 252 of the Telecommunications Act of 1996 (the Act).¹ Pursuant to Section 252(b)(1) of the Act, if the parties are unable to reach agreement on the terms and conditions for interconnection, a requesting carrier may petition a state commission to arbitrate any issues unresolved by voluntary negotiation under Section 252(a) of the Act. On July 18, 1996, this Commission established guidelines in order to carry out its duties under Section 252 of the Act. *See, In the Matter of the Implementation of the Mediation and Arbitration Provisions of the Federal Telecommunications Act of 1996*, Case No. 96-463-TP-UNC (July 18, 1996). Under those guidelines, an internal arbitration panel, composed of members of the Commission staff, is assigned to recommend a resolution of the issues in dispute if

¹ Codified at 47 U.S.C. 151 *et seq.*

96-752-TP-ARB

-24-

portability to wire centers would eliminate AT&T's ability to use INP solutions if its plans should include use of facilities installed by other carriers. With respect to RI-PH and LERG Reassignment as interim number portability measures, AT&T argues that the only single number tandem SS7 solution is RI-PH and SS7 is critical so that AT&T's large ported customers do not lose functionality such as caller ID. AT&T further indicates that, while its business plans for deployment of its own switch are irrelevant to the requirement for Ameritech to provide for RI-PH, the evidence also shows that other carriers' plans included installation of facilities in Ohio prior to AT&T's plans and these facilities could become part of AT&T's plans thus creating an earlier need for INP solutions for all segments of customers.

Ameritech contends that it is unreasonable for AT&T to suggest that Ameritech be required to develop and deploy an INP method that AT&T will never use. Ameritech also contends that the FCC declined to order implementation of currently unavailable short-term and medium-term INP solutions because devoting resources to implement such a solution may delay implementation of a long-term database solution. Ameritech contends that the panel's recommendation that RCF should remain within the same rate center, rather than the same serving wire center, should be rejected. Ameritech argues that this issue would appear to be moot as LRN will be implemented and INP will be obsolete by the time AT&T interconnects and deploys its switches. Ameritech also argues that a rate center can cover a much larger area than a wire center and, because INP is switch specific, it must be limited to an individual wire center. Ameritech also contends that the Commission's guidelines, issued by the Entry on Rehearing dated November 7, 1996, confirm that number portability is keyed to the wire center not the rate center.

Arbitration Award for Issue 31:

We are not convinced from a review of the evidence that AT&T's route indexing method is either technically or economically feasible. Further, we note that RCF and DID are services that are already available and will require very little technical adjustment to offer them on a carrier-to-carrier basis. We also believe that it would be inefficient to devote substantial resources or time to implementing other interim number portability methods given that permanent number portability is on the near horizon. The FCC order, as well as our guidelines, order specifically provide only for RCF and DID. Therefore, we believe that Ameritech should not have to offer every carrier its own desired type of INP. Furthermore, since Ohio will be converting to LRN number portability, beginning first quarter 1998, we do not believe that AT&T will be overburdened unnecessarily by using RCF and DID until that time.

With respect to the issue of wire center versus rate center, we note that, at the time the panel made its recommendation, keying number portability to the

CONFIDENTIAL

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Petition of AT&T Communications of Wisconsin for Arbitration
per § 252(b) of the Telecommunications Act of 1996
to Establish an Interconnection Agreement with
Wisconsin Bell, Inc. (d/b/a Ameritech Wisconsin)

265-MA-101
6720-MA-103

DECISION OF THE ARBITRATION PANEL

12. Interim Number Portability (Annotation 23, 23(a), and 24; Section 13.2; Annotation 25, Section 13.5)

AT&T proposes that Ameritech provide Route Indexing-Portability Hub (RI-PH) as a interim number portability (INP) option. Ameritech refuses to offer RI-PH for various reasons.

AT&T argues that it needs RI-PH so that it does not have to wait up to 45 days before it transfers a large customer, which puts it at a competitive disadvantage. Ameritech argues, on the other hand, that by the time AT&T offers facilities-based competition, a permanent number portability solution will be in place. AT&T counters that it may need RI-PH before it offers facilities-based services, but failed to offer specifics.

Prior to the hearing in this matter, we directed the parties by letter dated October 3, 1996, to support their respective noneconomic proposals by answering a set of questions. Among those questions were included:

What is the purpose of the proposal? What does it attempt to accomplish?
How and why does it satisfy/not satisfy your needs and interests?

We firmly stated in that letter that the burden of persuasion rested on the party advancing the proposal.

We simply do not feel AT&T has made its case for RI-PH. It has not demonstrated a near-term need with any specificity or convinced us that permanent number portability will fail to address its underlying need to quickly transfer large business customers. RI-PH, if developed, would have a limited "shelf life" and is likely to be an underutilized service. We feel the parties would be better served by devoting their resources to develop a timely permanent number portability solution that addresses AT&T's need to quickly transfer large business customers.

Inasmuch as AT&T failed to make its case on the fundamental question of need, we need not resolve the question of technical feasibility:

How will the proposal work? Explain its features and mechanics. Also, explain why it may not work?

Even if we were to agree with AT&T, contrary to Ameritech's belief, that RI-PH is technically feasible, it does not mean that deploying RI-PH as an INP option is a wise decision. As discussed above, we believe it to be unwise based on the evidence, or more precisely the lack of evidence, before us. Therefore, we reject AT&T's proposal for RI-PH at Annotations 23 and 24, Section 13.2 in Exhibit 91.

In addition to RI-PH, the parties disagree over the geographic scope of INP. AT&T wants rate center coverage. Ameritech limits INP to the same wire center. Clearly, AT&T has put its finger on a problem that needs fixing if effective local competition is to develop. INP limited to a wire center is a vestige of a monopoly local exchange market. Nonetheless, the question here is whether that problem needs fixing now (INP), or later under a permanent number portability solution. As with RI-PH, we feel efforts are best directed toward a permanent number portability solution. Therefore, we will award Ameritech's language at Annotation 23(a), Section 13.2 in Exhibit 91.

Regarding the interim number portability and NXX migration, we understand this issue is resolved based upon Ameritech's representations in its own Annotations. Accordingly, we have revised AT&T's language at Annotation 25, Section 13.5 in Exhibit 91 to read: *"In the interim period, prior to the effective date of LERG reassignment, the existing method of INP will be used."*

11. Condominium Arrangements (Annotation 20, Section 12.8.5)

The panel awards AT&T's proposed language at Annotation 20, Section 12.8.5.

12. Interim Number Portability (Annotation 23, 23(a), and 24; Section 13.2; Annotation 25, Section 13.5)

We reject AT&T's proposal for RI-PH at Annotations 23 and 24, Section 13.2 in Exhibit 91.

We award Ameritech's language at Annotation 23(a), Section 13.2 in Exhibit 91.

We have revised AT&T's language at Annotation 25, Section 13.5 in Exhibit 91 to read: *"In the interim period, prior to the effective date of LERG reassignment, the existing method of INP will be used."*

13. Directory Issues (Annotation 26, Section 15.1; Annotation 27, Section 15.1.7; and Annotation 28, Section 15.2.5)

The panel rejects AT&T's proposed language at Annotation 26, Section 15.1, Exhibit 91.

The panel substitutes the following language for AT&T's proposed language at Annotation 27, Section 15.1.7:

AT&T shall negotiate with the Publisher the form, content and charge regarding the inclusion of information about AT&T services in the customer information section of each White Pages and Yellow Pages Directory, including addresses and telephone numbers for AT&T Customer service. AT&T may petition the Commission for arbitration under Section 252 of the Act, if AT&T is treated unfavorably compared to Ameritech by the Publisher.

The panel awards Ameritech's language at Annotation 28, Section 15.2.5.

We will not include in our award AT&T's proposed language at Annotation 28.

DIRECT TESTIMONY
GREGORY J. DUNNY
ON BEHALF OF AMERITECH
MICHIGAN

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without change in the form or content of the information as sent and received." Act, § 3(a)(48)).

VI. NUMBER PORTABILITY

Q: Ameritech proposes to offer interim number portability to AT&T through Remote Call Forwarding ("RCF") and direct Dialing Inward ("DID") in Michigan. Why were RCF and DID chosen?

A: Interim number portability by means of RCF and DID is required under MTA Section 358 as a transitional service until long-term database number portability is available. As a result, it is important that any interim method of number portability be (1) technically feasible now, (2) available now based upon current facilities, (3) not result in significant additional costs, and (4) port numbers with a minimum loss of functionality. As the FCC found in its Telephone Number Portability First Order, CC No. 95-116 ("Portability Order"), RCF and DID meet these criteria, and may be deployed to satisfy an incumbent LEC's duty to offer interim number portability. For these reasons, Ameritech believes that use of RCF and DID during the relatively short period before long-term number portability is deployed best meets the needs of the industry and end users. The same reasons likely explain why RCF was requested by AT&T in this proceeding.

Q: Please describe how RCF and DID work.

A: RCF is a capability in switches that forwards calls made to a remote telephone number (or "ported" number) to a 7/10 digit local telephone number assigned to the LEC. RCF includes the additional capability to precede the 7/10 "forwarded to" number by a three digit carrier identification code (CIC) for the purpose of additional flexibility. This is also referred to as "enhanced" remote call forwarding. Furthermore, additional call paths are available under RCF to accommodate the provision of simultaneous call completion for features such as call waiting, call forwarding, and voice mail by AT&T to its end user customers.

DID functionality provides, for calls to the ported number, the delivery of the called (dialed) number to AT&T's switching equipment for identification, subsequent routing and completion. Because of the present signaling nature of DID service, it requires direct, dedicated transport facilities from the Ameritech switch, where the ported number resides, to AT&T's switch. In order to make the necessary transport facilities available on the most flexible and economic basis, Ameritech has enhanced its existing DID service to permit AT&T to self-provision the transport via collocation arrangements and has offered a more economical DS1 transport service option as well.

The proposed RCF and DID services are described in Sections 13.3 and 13.4 of Ameritech's Proposed Agreement.

Q: Has AT&T requested forms of number portability other than RCF and DID?

A: Yes. AT&T has requested that Ameritech provide it with two other portability options: Remote Indexing-Portability Hub (RI-PH) and Local Exchange Routing Guide (LERG) NXX reassignment.

Q: Why does Ameritech propose that RI-PH not be offered?

A: Ameritech does not support further development of this or any other medium-term number portability service. At bottom, RI-PH is simply a "medium-term" portability solution, and as the FCC correctly observed regarding another "medium term" number portability solution, further development is "unwarranted given the imminent implementation of a long-term solution that meets our criteria."

In addition, the FCC has directed several carriers, including Ameritech, AT&T, MCI, Sprint, GTE, Teleport, and MFS to conduct a field test of technically feasible long-term number portability methods to be concluded by August 1997, and these carriers, acting on behalf of the industry, have focused their efforts on these solutions. In particular, Ameritech has devoted its number portability

testing and research resources to investigating long-term solutions. Investigating the feasibility of separate potential methods of interim number portability would divert needed resources from these efforts.

Q: Has Ameritech ever investigated the technical feasibility of RI-PH?

A: Ameritech personnel in Illinois conducted some preliminary research on RI-PH at one point, but those efforts stopped completely once the FCC directed Ameritech and others to develop long-term solutions by October 1997. This early research indicated that RI-PH might be technically feasible in theory, but at this time Ameritech does not know if RI-PH is technically feasible in the field. In addition, this product raises technical concerns regarding its impact on the hub office and on Operations Support Systems.

Q: AT&T relies on statements of Ameritech employees that purportedly support RI-PH as technically viable. Please respond.

A: Regardless of any statements that may have been made after preliminary analysis of RI-PH, the industry, through the Illinois Local Number Portability workshop (in which AT&T participated) and the FCC have chosen to go in a different direction, and have not recommended RI-PH as a mid-term or long-term number portability solution.

Q: AT&T contends that RI-PH is necessary or preferable for porting its PBX customers. Is this correct?

A: Because RI-PH has not been adequately field tested -- and has never been offered by Ameritech as a tariffed service -- it would be speculative to say what PBX customers would prefer. In any event, those customers still may have their numbers ported by RCF or DID.

Q: Does AT&T acknowledge that further testing would be necessary before RI-PH could be offered?

A: Implicitly, yes. AT&T's draft interconnection agreement states that Ameritech would not need to offer RI-PH until the sixth month of the contract. (Sch. 3, Att. 3.1.1, § 2.2). Thus, AT&T must realize that it would take time to test and develop the service.

Q: If long-term number portability solutions are proposed or become available in October 1997, and RI-PH is not offered until the sixth month of the Ameritech - AT&T agreement, how long would AT&T be able to use RI-PH before RI-PH became effectively obsolete?

A: Assuming that a contract requiring RI-PH were approved in November 1996 and Ameritech offered the service in May of 1997, AT&T could use RI-PH for, at most, six months before long-term portability arrived in October 1997.

Q: AT&T claims that although Ameritech included LERG in its recent interconnection agreement with MFS, it has refused to make LERG NXX reassignment available to AT&T at all. Is that true?

A: No, it is not, and AT&T has acknowledged that fact. On page nine of "Attachment A" to a letter from AT&T's Larry Salustro to Ameritech attorney Edward Wynn, dated June 12, 1996, Mr. Salustro stated that Ameritech's Neil Cox had told AT&T that "LERG reassignment was acceptable" during negotiations. AT&T's claim that Ameritech never offered LERG to it has no basis in fact.

Q: Does Ameritech's number portability offering to AT&T comply with the Act and the FCC's Rules?

A: Yes. The Act requires Ameritech to provide number portability "to the extent technically feasible," which, as shown above, it has done. (Act, § 251(b)(2)).

VII. ACCESS TO RIGHTS-OF-WAY

Q: Please describe Ameritech's proposal regarding access to poles, ducts, conduits, and rights-of-way.

A: Ameritech proposes to make its poles, ducts, conduits, and right-of-way ("Structure") available for the placement of AT&T's wires, cables, and related facilities, to the extent it may lawfully do so. (Proposed Agreement, §16.1). "Rights-of-way" is defined to include easements and licenses to use the property of others that is suitable for distribution facilities. It does not, however, include property that is owned or leased by Ameritech, or its

STENOGRAPHIC TRANSCRIPT OF PROCEEDINGS

BEFORE THE

Illinois Commerce Commission

DOCKET NO. 96 AB-003
96 AB-004

IN THE MATTER OF:

AT&T COMMUNICATIONS OF ILLINOIS, INC.

AMERITECH ILLINOIS

PLACE: Springfield, Illinois

DATE: October 2, 1996

PAGES: 697-937

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BEFORE THE
ILLINOIS COMMERCE COMMISSION

AT&T COMMUNICATIONS OF ILLINOIS, INC.) DOCKET NO.
) 96 AB-003
Petition for Arbitration of)
Interconnection Rates, Terms and)
Conditions and related arrangements)
with Illinois Bell Telephone Company)
d/b/a Ameritech Illinois.)

CONSOLIDATED

-and-

AMERITECH ILLINOIS) DOCKET NO.
) 96 AB-004
Petition for Arbitration with AT&T)
Communications of Illinois pursuant to)
the Telecommunications Act of 1996.)

Springfield, Illinois
October 2, 1996

Met, pursuant to notice, at 9:00 A.M.

BEFORE:

MS. BARBARA ROGERS, Examiner
MR. DONALD L. WOODS, Examiner

APPEARANCES:

MR. THEODORE A. LIVINGSTON
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MR. GARY S. FEINERMAN
Mayer, Brown & Platt
190 South La Salle Street
Chicago, Illinois 60603

(Appearing on behalf of Ameritech
Illinois)

1 1995 I think April.

2 Q. And the Commission only required that
3 Ameritech Illinois tariff RCF, enhanced RCF, DID, and
4 one other method. Is that right? I believe that's
5 in the prior paragraph.

6 A. That is my understanding.

7 Q. If Ameritech Illinois were to develop
8 RI-PH because AT&T demands it and RI-PH never gets
9 used by either AT&T or any other carriers, would AT&T
10 reimburse Ameritech for the development costs?

11 A. Well, I think that there is within the FCC
12 Order discussions on how costs for interim number
13 portability would be handled, so I would be reluctant
14 to make any separate side deal with you on that right
15 here.

16 I would also suggest that route indexing-
17 portability hub is not necessarily exclusively an
18 interim number portability solution, and so to
19 suggest that even if it were offered that that's the
20 only way that it would be used, I'm just not in a
21 position to agree with that.

22 Q. If it's not exclusively an INP solution

1 and it could also be used as a long-term solution,
2 wouldn't AT&T have the obligation to reimburse
3 Ameritech for the development costs?

4 A. Either I misspoke or you misinterpreted
5 what I said.

6 Q. Okay.

7 A. I wasn't suggesting that it would be used
8 as a long-term solution. I was suggesting that it
9 might be used for some completely different switching
10 format other than number portability, and in fact in
11 U.S. West and in Bell South where route indexing is
12 currently already tariffed and offered for service I
13 don't think it has anything to do with interim number
14 portability.

15 Q. You were right. It was my mistake, and I
16 misinterpreted what you had said, so I'll reask the
17 question. If route indexing is used for something
18 other than INP and Ameritech develops that technology
19 or that solution, wouldn't it be AT&T's obligation to
20 reimburse Ameritech for those costs?

21 A. Well, I don't believe I'm in a position to
22 discuss costs specifically other than the sorts of

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Sprint Communications L.P., :
d/b/a Sprint Communications :
Company, L.P. :

Petition for Arbitration of :
Interconnection Rates, Terms, :
Conditions, and Related :
Arrangements with Illinois :
Bell Telephone Company d/b/a :
Ameritech Illinois. :

96 AB-008

ARBITRATION DECISION

DATED: January 8, 1997

Ameritech also points out that other LECs have agreed to similar language in their negotiated or arbitrated agreements with Ameritech.

Sprint acknowledges that under both the FCC Rules and the Commission's Resale Order, short-term promotional discounts of less than 90 days are not subject to resale at a discounted wholesale rate. According to Sprint, however, these promotions should still be available to CLECs at the same rate offered to end users if the retail rate is lower than the wholesale rate. Sprint argues that if it is not able to take advantage of short-term promotional discounts at the same rate as Ameritech's end users, Sprint will not be able to compete with Ameritech.

Staff recommends that Sprint's proposed language be rejected as contrary to the Commission's Resale Order (Docket Nos. 96-0458 and 95-0531 Consol., June 26, 1996, pp. 37-38). Staff explains that the Resale Order allows Ameritech to exclude promotional offerings with a duration of less than 120 days from a wholesale rate. Therefore, Sprint's language which would allow it to choose between the wholesale and retail rates to assure that it always gets the lowest rate should be rejected.

2. Conclusion

The Commission agrees with Staff and Ameritech that Sprint should not be able to purchase services for resale at rates pinned to promotions of ninety days or less. The Commission can find no requirement in the Act or Order mandating this outcome and believes it would stifle price competition between LECs and new entrants.

IV. BRANDING

A. OS/DA

ISSUE: If Ameritech demonstrates that it is not technically feasible to rebrand Operator Service/Director Assistance ("OS/DA") for Sprint, should Ameritech be required to unbrand all of its OS/DA services? (Section 10.10)

1. Positions of the Parties

Under its proposal, Ameritech will brand OS/DA provided as part of resold local service whenever it is technically feasible to do so. Under Sprint's proposal, if Ameritech makes a successful showing to the Commission that it is not able to

